

URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA

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REVIEWED FINANCIAL STATEMENTS  
AND ATTESTATION REPORT  
FOR THE YEAR ENDED  
DECEMBER 31, 2013

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URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2013

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# JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.



ROWLAND H. PERRY, CPA, APC  
CHARLES L. JOHNSON, JR., CPA  
VIOLET M. ROUSSEL, CPA, APC  
JAY CUTHBERT, CPA, APAC

PAM BATTAGLIA, CPA  
TREY GIMBER, CPA  
DAWN WHITSTINE, CPA

"The CPA. Never Underestimate The Value."

*Certified Public Accountants*

3007 Armand Street  
Monroe, Louisiana 71201  
Telephone (318) 322-5156 or (318) 323-1411  
Facsimile (318) 323-6331

- Accounting & Auditing
  - HUD Audits
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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors  
Urban Housing of America, Inc. Louisiana  
Shreveport, Louisiana

We have reviewed the accompanying statement of financial position of Urban Housing of America, Inc. Louisiana (a nonprofit corporation) as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Urban Housing's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated July 17, 2014, on the results of our agreed-upon procedures.

*Johnston, Perry, Johnson & Associates, L.L.P.*

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

July 17, 2014

URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2013

ASSETS

	<u>2013</u>
<u>CURRENT ASSETS</u>	
Cash and Cash Equivalents	\$ 710,651
Accounts Receivable	<u>665</u>
<u>TOTAL CURRENT ASSETS</u>	<u>711,316</u>
<u>PROPERTY AND EQUIPMENT</u>	
Buildings and Improvements	154,292
Land Improvements	5,000
Construction in Progress	<u>466,500</u>
<u>Total Fixed Assets</u>	<u>625,792</u>
Less: Accumulated Depreciation	<u>(7,962)</u>
<u>Net Fixed Assets</u>	<u>617,830</u>
Land	<u>387,162</u>
<u>TOTAL PROPERTY AND EQUIPMENT</u>	<u>1,004,992</u>
<u>TOTAL ASSETS</u>	<u>\$ 1,716,308</u>

See accompanying notes and independent accountants' review report.

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JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
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URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2013

LIABILITIES AND NET ASSETS

	<u>2013</u>
<u>CURRENT LIABILITIES</u>	
Accounts Payable - Trade	\$ 65,913
Notes Payable - Current Portion	98,126
<u>TOTAL CURRENT LIABILITIES</u>	<u>164,039</u>
<u>LONG TERM LIABILITIES</u>	
Notes Payable - Less Current Portion	171,413
Home Loan	349,853
Due to Officer	24,418
<u>TOTAL LONG TERM LIABILITIES</u>	<u>545,684</u>
<u>TOTAL LIABILITIES</u>	<u>709,723</u>
<u>NET ASSETS</u>	
Unrestricted	1,006,585
<u>TOTAL NET ASSETS</u>	<u>1,006,585</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 1,716,308</u>

See accompanying notes and independent accountants' review report.

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JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<u>REVENUE</u>			
Management Fees	\$ 81,388	-	\$ 81,388
Grants	0	-	0
Rent Income	8,607		8,607
Other Income	675,000	-	675,000
<u>TOTAL REVENUE</u>	<u>764,995</u>	<u>0</u>	<u>764,995</u>
<u>EXPENSES</u>			
Program Services	31,444	0	31,444
Support Services			
Management and General	34,676	-	34,676
Fundraising	0	-	0
<u>Total Supporting Services</u>	<u>34,676</u>	<u>-</u>	<u>34,676</u>
<u>TOTAL EXPENSES</u>	<u>66,120</u>	<u>0</u>	<u>66,120</u>
<u>CHANGE IN NET ASSETS</u>	698,875	0	698,875
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>307,710</u>	<u>0</u>	<u>307,710</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 1,006,585</u>	<u>0</u>	<u>\$1,006,585</u>

See accompanying notes and independent accountants' review report.

URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Program Expenses	Management and General	Fundraising	Total
Project Development	\$ 19,880	\$ -	-	\$ 19,880
Service Contract Expenses	35	-	-	35
Bank Charges	-	35	-	35
Legal and Professional	-	4,850	-	4,850
Insurance	1,860	-	-	1,860
Interest	2,319	-	-	2,319
Miscellaneous	-	272	-	272
Property Taxes	-	14	-	14
Rent	0	28,800	-	28,800
Supplies Expense	-	246	-	246
Telephone Expense	0	459	-	459
<u>Total Functional Expenses</u>				
<u>Before Depreciation</u>	24,094	34,676	0	58,770
Depreciation Expense	7,350	0	0	7,350
<u>TOTAL EXPENSES</u>	<u>\$ 31,444</u>	<u>\$ 34,676</u>	<u>0</u>	<u>\$ 66,120</u>

See accompanying notes and independent accountants' review report.



URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income (Loss)	\$ 698,875
Depreciation and Amortization	7,350
(Increase) Decrease in:	
Accounts Receivable	(665)
Increase (Decrease) in:	
Accounts Payable – 30 Days	(2,761)
Deferred Income	-
	<hr/>
Net Cash Provided (Used) by Operating Activities	<hr/> 702,799

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Fixed Assets	<hr/> (466,500)
Net Cash Provided (Used) by Investing Activities	<hr/> (466,500)

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from Loans	439,999
Payments on Loans	<hr/> (8,606)
Net Cash Provided (Used) by Financing Activities	<hr/> 431,393

<u>NET INCREASE (DECREASE) IN CASH</u>	667,692
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<u>CASH AT BEGINNING OF YEAR</u>	<hr/> 42,959
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<u>CASH AT END OF YEAR</u>	<hr/> <hr/> \$ 710,651
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ADDITIONAL DISCLOSURES:

Interest Paid	\$ 2,319
Income Tax Paid	\$ -

See accompanying notes and independent accountants' review report.

URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE 1 ORGANIZATION:

Urban Housing of America, Inc. Louisiana (Urban Housing) is a Louisiana not-for-profit organization incorporated under the laws of the State of Louisiana on May 19, 1997. It was established to undertake, promote, develop and carry on low income housing development, management, ownership, and charitable work; to engage in the business of developing, maintaining, managing, and owning low income housing and providing charitable services dedicated to the improvement of living conditions of low income families; providing them with other services, i.e. childcare, job placement, family counseling, food purchasing programs, and personal financial planning targeting better living skills in order to improve their living and working conditions.

HUD Home Funds

Urban Housing is a Community Housing Development Organization or CHDO as defined by 24 CFR Part 92. Through their respective authorized agencies, The City of Shreveport, Louisiana facilitated HUD Home Funds to Urban Housing to be used for low income property acquisition and development and operating cost.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Reporting

The financial statements are presented on the accrual basis of accounting and are prepared in accordance with current recommendations of the American Institute of Certified Public Accountants for Not-for-Profit Organizations. The significant accounting policies are described below:

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ASC 958, Financial Statements of Not-for-Profit Organizations. The Organization has elected to present a classified statement of financial position, under ASC 958; the Organization is required to report information regarding its financial position and activities

URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2013

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Presentation (Continued)

according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Net Assets

Net assets are included in one of the following three classes, depending on the presence and type of donor-imposed restrictions.

*Unrestricted Net Assets* - Net assets not subject to donor-imposed restrictions.

*Temporarily Restricted Net Assets* - Net assets subject to donor-imposed restrictions that may be met either by action and/or through the passage of time. As of December 31, 2013, Net Assets included no temporarily restricted net assets.

*Permanently Restricted Net Assets* - Net assets subject to donor-imposed restrictions that will not expire through the passage of time and/or an action. As of December 31, 2013, Net Assets included no permanently restricted net assets.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, program and support service expenses are specifically identified with or allocated to Urban Housing's various functions. Expenses requiring allocation include services provided by Urban Housing's management and administrative staff to specific program-related activities. Expense allocations are prorated based on a percentage of time or actual usage.

URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2013

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Tax Status

Urban Housing is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, Urban Housing qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

Cash

Cash includes amounts in petty cash, demand deposits, interest-bearing demand deposits, and time deposits. Urban Housing considers money market funds and short-term investments, with a maturity of less than ninety days from the acquisition date to be cash equivalents. As of December 31, 2013, there are no cash equivalents.

Property and Equipment

Acquisitions of property and equipment with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Major outlays for property development and improvements are capitalized as projects are constructed. Interest incurred, net of interest earned on specific project related debt, during the construction phase of development is included as part of the capitalized value of the assets constructed.

URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2013

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment (Continued)

Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other property and equipment acquisitions that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following useful lives:

Land Improvements	15 Years
Buildings	30 Years
Building Improvements	15 Years

Revenues

Urban Housing receives management fees to provide financial and operational management for various low-income housing developments. The organization is reimbursed the cost of commercial insurance covering the various developments.

Urban Housing leases its commercial building to its related party, Access Development, LLC. In lieu of rent, Access Development, LLC pays the monthly mortgage obligations. Rent is recognized monthly as mortgages are paid.

Allowance for Doubtful Accounts

Accounts receivable have been reviewed by management and it has been determined that there is no requirement for an allowance for doubtful accounts as of December 31, 2013. Management reviews accounts receivable quarterly to determine bad debts.

Advertising Costs

The organization expenses advertising costs as they are incurred. For the year ended December 31, 2013, advertising expenses were immaterial.

URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2013

NOTE 3 SUMMARY OF FUNDING:

Urban Housing received the following funding for 2013:

	<u>Amount</u>
HUD Home Program	
Department of Community Development -	
City of Shreveport, LA	300,000
CHDO Loan	
Department of Community Development -	
City of Shreveport, LA	<u>49,853</u>
<u>Total</u>	<u>349,853</u>

NOTE 4 CONCENTRATION OF CREDIT RISK:

Custodial credit risk is the risk that in the event of a bank failure, the organization's deposits may not be returned to it. At December 31, 2013, cash consisted of two demand deposit accounts at two local banks. At December 31, 2013, there was no amount at risk as the amount on deposit in each bank did not exceed federally insured limits.

NOTE 5 PROPERTY:

Property and equipment activity for the year ended December 31, 2013 was as follows:

	Balance at 1/01/2013	Additions	Deletions	Balance at 12/31/2013
<u>Property and Equipment</u>				
Land	387,162	-	-	387,162
Land Improvements	5,000	-	-	5,000
Building & Improvements	154,292	-	-	154,292
Construction in Process	-0-	466,500	-	466,500
<u>Total</u>	<u>546,454</u>	<u>466,500</u>	<u>-0-</u>	<u>1,012,954</u>
<u>Less Accumulated Depreciation</u>				
Land Improvements	28	334	-	362
Building & Improvements	584	7,016	-	7,600
<u>Total</u>	<u>612</u>	<u>7,350</u>	<u>-0-</u>	<u>7,962</u>
<u>Net Property and Equipment</u>	<u>545,842</u>	<u>459,150</u>	<u>-0-</u>	<u>1,004,992</u>

NOTE 6 DEBT:

Long-term debt consists of the following at December 31, 2013:

URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2013

NOTE 6 DEBT: (Continued)

Mortgage note payable to a local bank in monthly installments of \$739.45, including interest at 3.5%, due in November 2017, secured by commercial building	121,947
Second mortgage note payable to a local bank in monthly installments of \$436.80, including interest at 3.5%, due in November 2017, secured by commercial building	57,446
Construction loan note payable to a local bank with interest at 3.75%	90,146
Note payable to officer, one payment of \$24,418 due in November 2017, interest free, unsecured	<u>24,418</u>
Total	293,957
Less: Current Portion	( <u>98,126</u> )
<u>Long-Term Debt, Less Current Portion</u>	<u>195,831</u>

Future maturities of long-term debt are as follows as of December 31, 2013:

2014	98,126
2015	8,200
2016	8,463
2017	179,168
2018	-0-

Home Loan with City of Shreveport. This loan is an interest-free loan and is only payable from surplus cash. The balance of this loan at December 31, 2013 was \$300,000.

CHDO Loan with City of Shreveport. This loan is an interest-free loan and is only payable from surplus cash. The balance of this loan at December 31, 2013 was \$49,853.

URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2013

NOTE 7 COMMITMENTS:

Effective December 22, 2011, Urban Housing amended its agreement to lease space for its current office. The lease period is two years, commencing January 1, 2012 with a rate of \$2,330 for the month of January 2012 and \$2,400 for each month thereafter. Lease expense for the year ended December 31, 2013 was \$28,800. Following is a schedule by year of future minimum rental payments under the lease agreement:

<u>Year Ending December 31</u>	<u>Amount</u>
2014	-0-

NOTE 8 RELATED PARTY:

Urban Housing has no employees. Personnel services are provided by its wholly owned subsidiary, Pines Road, LLC. Urban Housing's investment in Pines Road, LLC is accounted for under the cost method. The investment is less than \$1 and, therefore, not presented in the financial statements. By agreement, Urban Housing has no influence over Pines Road, LLC. As a nonprofit, Urban Housing under FASB FIN 46R, *Consolidation of Variable Interest Entities*, is not required to consider a Variable Interest Entity relationship between itself and Pines Road, LLC. For these reasons, Urban Housing does not present financial statements consolidating itself and Pines Road, LLC. Personnel services were not recognized as donated as they did not create or enhance nonfinancial assets nor require specialized skills and did not need to be purchased.

As of December 31, 2013, Urban Housing owed \$24,418 to its President. The loan was made to purchase the building disclosed in Note 5 above. The loan is interest-free, and is due on November 15, 2017.

Urban Housing rents a commercial building to its sister entity, Access Development, LLC. In lieu of rent, Access Development, LLC pays the monthly mortgage obligations. Total rent for the year ended December 31, 2013, was \$8,607. Urban Housing has no influence over Access Development, LLC. As a nonprofit, Urban Housing under FASB FIN 46R, *Consolidation of Variable Interest*



URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2013

NOTE 8 RELATED PARTY: (Continued)

*Entities*, is not required to consider a Variable Interest Entity relationship between itself and Access Development, LLC. For these reasons, Urban Housing does not present financial statements consolidating itself and Access Development, LLC.

NOTE 9 SUBSEQUENT EVENTS:

Subsequent events were evaluated through July 17, 2014, which is the date the financial statements were available to be issued. There were no events requiring disclosure.

NOTE 10 UNCERTAIN TAX POSITIONS:

The organization is subject to examination by various taxing authorities. Management has reviewed the organization's activities and believes that no additional amounts or disclosures are needed, as the effect of any uncertain tax positions is not material to the financial statements. The tax returns for the years 2013, 2012, 2011, and 2010 are open for examination by various taxing authorities.

NOTE 11 IMPAIRMENT OF LONG-LIVED ASSETS:

In accordance with the accounting guidance for the impairment or disposal of long-lived assets, the organization reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized to date.

NOTE 12 LEGAL SETTLEMENT:

During the year ended December 31, 2013, the organization received a legal settlement of \$675,000 from the City of Shreveport. This amount is included in Other Income in the Statement of Activities.

# JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors  
Urban Housing of America, Inc. Louisiana  
Shreveport, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed by the management of Urban Housing of America, Inc. Louisiana (Urban Housing), the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Urban Housing's compliance with certain laws and regulations during the year ended December 31, 2013, included in the accompanying *Louisiana Attestation Questionnaire*. Management of Urban Housing is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### **Federal, State, and Local Awards**

1. Determine the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Urban Housing's total federal, state, and local award expenditures for the fiscal year are as follows:

<u>Federal, State, or Local Grant Name</u>	<u>Grant Year</u>	<u>CFDA No. (if applicable)</u>	<u>Amount</u>
HUD Home Loan - Department of Community Development - City of Shreveport, Louisiana	2013	N/A	300,000
CHDO Loan - Department of Community Development - City of Shreveport, Louisiana	2013	N/A	<u>49,853</u>
<u>Total Expenditures</u>			<u>349,853</u>

2. For each federal, state, and local award, we randomly selected six disbursements from each award administered during the period under examination, provided that no more than thirty disbursements were selected.

Six disbursements from the HUD Home Loan were tested. There was only one disbursement made under the CHDO Loan, and that transaction included funds from the HUD Home Loan. This disbursement was included in our tests.

3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

We examined the supporting documentation for each of the six disbursements and found that the payment was for the proper amount and made to the correct payee. No exceptions were noted.

4. For the items selected in procedure 2, we determined that the six disbursements selected were properly coded to the correct fund and general ledger account.

All six payments were properly coded to the correct fund and general ledger account. No exceptions were noted.

5. For the items selected in procedure 2, we determined that the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated proper approval.

6. For the items selected in procedure 2, for federal, state, and local awards, we determined the disbursements complied with the grant agreement relating to:

Activities allowed or not allowed:

We reviewed the sample of six disbursements for types of services allowed or not allowed. Services related to each of the disbursements appeared to be allowable.

**Eligibility:**

We reviewed the sample of six disbursements for types of services allowed or not allowed. Disbursements were made within the terms of the grant.

**Reporting:**

We reviewed the sample of six disbursements for types of services allowed or not allowed. Disbursements were properly reported in accordance with the terms of the grant.

7. For the programs selected for testing in item 2, that have been closed out during the period under review, compare the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

There were no required close-out reports for the programs and period under review.

**Meetings**

8. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:13 (the open meetings law).

Management asserts the following:

As defined in LSA-RS 42:1 through 42:13, Urban Housing of America, Inc. Louisiana is a not-for-profit organization, and a not-for-profit organization is not a Public Body. Therefore, it is not subject to the open meetings law.

**Comprehensive Budget**

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agencies was provided with a comprehensive budget to those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Urban Housing of America, Inc. Louisiana provided a comprehensive budget, including purpose and duration, to the local grantor agency noted. The budget provided to the agency included specific goals and objectives and measures of performance.

**Prior Comments and Recommendations**

10. We reviewed the prior review/attestation report for any suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

We noted the following:

Finding 2012-1 - Unresolved. Finding repeated and noted at Reporting Finding 2013-1

Finding 2012-2 - Resolved.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Urban Housing of America, Inc. Louisiana, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Johnston, Perry, Johnson & Associates, L.L.P.*

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

July 17, 2014

URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA  
SCHEDULE OF FINDINGS, QUESTIONED COSTS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2013

SUMMARY OF ACCOUNTANTS' REPORT

INDEPENDENT ACCOUNTANTS' REVIEW REPORT:

We have reviewed the statement of financial position of Urban Housing of America, Inc. Louisiana as of December 31, 2013, and the related statements of activities and cash flows for the year then ended. We conducted the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

APPLICATION OF AGREED-UPON PROCEDURES REPORT

There were no findings noted during the application of agreed-upon procedures.

REPORTING

2013-1

Criteria or Specific Requirement:	Under Louisiana Statute 24:513, Urban Housing is required to submit a review of its annual financial statements and attestation on applying agreed-upon procedures to the Louisiana Legislative Auditor within six months of its year-end, which is December 31, 2013.
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Type of Finding:	Noncompliance
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Condition:	The review/attestation was not submitted by June 30, 2014.
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Effect:	Noncompliance with state law regarding financial reporting.
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URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA  
SCHEDULE OF FINDINGS QUESTIONED COSTS AND RESPONSES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013

2013-1 (Continued)

Cause: Urban Housing did not engage a CPA timely.

Recommendation: Urban Housing should determine the type of engagement required no later than January 31<sup>st</sup> and engage a CPA, if necessary, in accordance with the Louisiana Audit Law.

Views of Responsible Officials and Planned Corrective Actions:

Name of Contact Responsible - Dan Wimberly, President

Corrective Action Planned - Urban Housing will engage a CPA timely and provide the required documentation to ensure compliance with the Louisiana Audit Law.

COMPLIANCE

There were no compliance findings.

QUESTIONED COST

There were no questioned costs.

URBAN HOUSING OF AMERICA, INC. LOUISIANA  
SHREVEPORT, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
DECEMBER 31, 2013

Finding 2012-1

Condition: The compiled financial statements were not submitted by June 30, 2013.

Current Status: Unresolved. See current year Finding 2013-1.

Finding 2012-2

Condition: Management did not post notice of the meetings of the Board of Directors as required by the open meetings law.

Current Status: Resolved. Due to a new Louisiana Supreme Court ruling the organization believes it is not required to submit to the open meetings law.



LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Quasi-public Agencies)

7-9-14 (Date Transmitted)

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, LLP  
3007 ARMAND ST  
MONROE, LA 71201  
(Auditors)

In connection with your review of our financial statements as of 12-31-13  
and for the period then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the  
Louisiana Governmental Audit Guide, we make the following representations to you. We accept full  
responsibility for our compliance with the following laws and regulation and the internal controls over  
compliance with such laws and regulations. We have evaluated our compliance with the following laws  
and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/  
representation).

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by  
grant and grant year.

Yes [ x ] No [ ]

All transactions relating to federal, state, and local grants have been properly recorded within our  
accounting records and reported to the appropriate state, federal, and grantor officials.

Yes [ x ] No [ ]

The reports filed with federal, state, and local agencies are properly supported by books of original entry  
and supporting documentation.

Yes [ x ] No [ ]

We have complied with all applicable specific requirements of all federal, state, and local programs we  
administer, to include matters contained in the OMB Compliance Supplement, matters contained in the  
grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget  
requirements.

Yes [ x ] No [ ]

#### Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://app1.la.state.la.us/lala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.

Yes ☐ No ☐ N/A

#### Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes ☒ No ☐

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [ x ] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Bernice Brunsand Secretary 7-9-14 Date

Bernice Brunsand Treasurer 7-9-14 Date

[Signature] President 7-9-14 Date